

ConnectSouth Communications of
Kentucky, Inc.

**REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
APPLYING TO LOCAL EXCHANGE COMMUNICATIONS SERVICES
WITHIN THE COMMONWEALTH OF KENTUCKY**

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 03 2000

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: March 3, 2000

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Christopher E. Hugman
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9600 Great Hills Trail, Suite 250B East
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CHECK SHEET

Pages 1-48 inclusive of this tariff as of the date shown.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	29	Original
2	Original	30	Original
3	Original	31	Original
4	Original	32	Original
5	Original	33	Original
6	Original	34	Original
7	Original	35	Original
8	Original	36	Original
9	Original	37	Original
10	Original	38	Original
11	Original	39	Original
12	Original	40	Original
13	Original	41	Original
14	Original	42	Original
15	Original	43	Original
16	Original	44	Original
17	Original	45	Original
18	Original	46	Original
19	Original	47	Original
20	Original	48	Original
21	Original		
22	Original		
23	Original		
24	Original		
25	Original		
26	Original		
27	Original		
28	Original		

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TABLE OF CONTENTS

<u>Description</u>	<u>Sheet Number</u>
CHECK SHEET.....	1
TABLE OF CONTENTS.....	2
TARIFF FORMAT	4
EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF	5
APPLICATION OF TARIFF	6
1.0 DEFINITIONS.....	7
2.0 REGULATIONS.....	9
2.1 Undertaking of the Company.....	9
2.2 Prohibited Uses	17
2.3 Obligations of the Customer	18
2.4 Customer Deposits and Advance Payments	20
2.5 Payment Arrangements	22
2.6 Allowances for Interruptions in Service	31
2.7 Cancellation of Service/Termination Liability	35
2.8 Customer Liability for Unauthorized Use of the Network	36
2.9 Use of Customer's Service by Others	37
2.10 Transfers and Assignments	38
2.11 Notices and Communications	38
3.0 SERVICE DESCRIPTIONS.....	39
4.0 RATE SCHEDULE	40
4.1 Retail Pricing	40
4.2 Wholesale Pricing	42

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TABLE OF CONTENTS (cont'd)

<u>Description</u>	<u>Sheet Number</u>
5.0 MISCELLANEOUS SERVICES	43
5.1 Restoration of Service.....	43
5.2 Rates [RESERVED FOR FUTURE USE]	43
6.0 SPECIAL ARRANGEMENTS	44
6.1 Special Construction	44
6.2 Individual Case Basis (ICB) Arrangements.....	47
6.3 Special Promotions	47
7.0 PROMOTIONAL OFFERINGS [RESERVED FOR FUTURE USE]	48

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TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the Tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th Revised Page 14 Cancels the 3rd Revised Page 14.
- C. Paragraph Numbering Sequence - There are five levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1
 - 2.1.1
 - 2.1.1.1
 - 2.1.1.1.a
 - 2.1.1.1.a.(1)

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**EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS OF
TECHNICAL TERMS USED IN THIS TARIFF**

When changes are made in any tariff sheet, a revised sheet will be issued canceling the tariff sheet affected. Changes will be identified on the revised sheet(s) through the use of the following symbols:

- C - To signify Changed Regulation.
- D - Delete or Discontinue
- I - Change Resulting in an Increase to a rate
- M - Moved from Another Tariff Location
- N - New
- R - Change Resulting in a Reduction to a rate
- S - Matter Appearing Elsewhere or Repeated for Clarification
- T - Change in Text But No Change to Rate or Charge
- V - Signifies Vintage Tariff

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APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate data transmission services within the Commonwealth of Kentucky by ConnectSouth Communications of Kentucky, Inc.

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1.0 DEFINITIONS

For purposes of this tariff, the following definitions will apply.

ACCESS LINE - An arrangement that connects the Customer's location to the Company's designated switching center or point of presence.

ADVANCE PAYMENT - The payment required before the start of service.

AUTHORIZED USER - A person, corporation or other entity who is authorized by the Company's customer to utilize service provided by the Company to the customer. The Customer is responsible for all charges incurred by an Authorized User.

COMMISSION - The Kentucky Public Service Commission.

COMPANY - ConnectSouth Communications of Kentucky, Inc., the issuer of this tariff.

CUSTOMER - The person, firm, corporation, or other entity which orders service pursuant to this tariff and utilizes service provided under tariff by the Company. A Customer is responsible for the payment of charges and for compliance with all terms of the Company's Tariff.

CUSTOMER PREMISES EQUIPMENT ("CPE") - Equipment provided by the Customer for use with the Company's services.

DIGITAL - A method of storing, processing and transmitting information through the use of distinct electronic or optical pulses that represent the binary digits (bits) 0 and 1. Digital transmission/switching technologies employ a sequence of discrete, individually distinct pulses to represent information, as opposed to the continuously variable signal of analog technologies.

DIGITAL SUBSCRIBER LINE (xDSL) - A technology that uses a metallic copper loop to provide high speed data transmission services.

INTERRUPTION - The inoperability of the subscriber line due to Company facilities malfunction or human errors.

LATA - A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association Tariff F.C.C. No 4.

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1.0 DEFINITIONS (cont'd)

LOOPS - Segments of a line that extend from the serving central office to the originating and terminating point.

MOVE - The disconnection of existing equipment at one location and reconnection of the same equipment at a new location in the same building or in a different building on the same premises.

RECURRING CHARGES - The monthly charges billed by the Company for service, facilities and equipment, which continue for the agreed upon duration for the services.

SERVICE COMMENCEMENT DATE - The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and the Customer may mutually agree to a substitute Service Commencement Date.

SERVICE ORDER - The written request for service executed by the Customer and the Company in the format devised by the Company. The execution of a Service Order by the customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff.

SHARED - A facility or equipment system or subsystem that can be used simultaneously by several customers.

TERMINAL EQUIPMENT - The method of physical connection between a Company-provided access line and a Customer's or user's transmission cable, inside wiring or terminal equipment. The Customer is responsible for ordering a terminal interface that is compatible with the Customer's or User's terminal equipment. All terminal interfaces will be provided by industry-standard connectors as specified in or authorized by Subpart F of Part 68, Title 47, Code of Federal Regulations.

USER - A Customer, Joint User, Authorized User or any other person authorized by the Customer to use service provided under this tariff.

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2.0 REGULATIONS**2.1 Undertaking of the Company****2.1.1 Scope**

The Company undertakes to furnish communications service pursuant to the terms of this tariff in connection with one-way and/or two-way data transmission between points within the Commonwealth of Kentucky.

Customers and users may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company is responsible under this tariff only for the services provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own Customers.

2.1.2 Shortage of Equipment or Facilities

- A. The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company, in a non-discriminatory manner consistent with the authority granted by the Commission.
- B. The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.

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2.0 REGULATIONS (cont'd)**2.1 Undertaking of the Company (cont'd)****2.1.3 Terms and Conditions**

- A. Service is provided on the basis of a minimum period of at least one (1) month, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have thirty (30) days.
- B. Customers may be required to enter into written Service Orders that shall contain or reference a specific description of the service ordered, the tariff or other approved rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- C. Except as otherwise stated in the tariff, at the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon thirty (30) days written notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations that by their nature extend beyond the termination of the term of the service order shall survive such termination.
- D. Service may be terminated with written notice to the Customer if:
 - 1. the Customer is using the service in violation of this tariff; or
 - 2. the Customer is using the service in violation of the law.
- E. This tariff shall be interpreted and governed by the laws of the Commonwealth of Kentucky without regard for its choice of laws provision.

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2.0 REGULATIONS (cont'd)**2.1 Undertaking of the Company (cont'd)****2.1.3 Terms and Conditions (cont'd)**

- F. The Company hereby reserves its rights to establish service packages specific to a particular Customer. These contracts may or may not be associated with volume and/or term discounts. All such offerings shall be consistent with the rates and conditions specified herein.

2.1.4 Limitations on Liability

- A. The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control resulting from failures of power service, climate control, fire, explosion, water, storm, force majeure, or other catastrophe. The company shall make reasonable provisions to minimize the effects of service outages to the extent it owns the affected equipment.
- B. Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, or use of these services or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.6.
- C. Except as specified in this tariff, Company and its contractors shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages of any kind or nature arising out of or in connection with the installation, use, repair, performance or removal of the equipment, or other services in connection with the performance or failure to perform its obligations, including, but not limited to, loss of revenue or profits, regardless of the foreseeability thereof for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.

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2.0 REGULATIONS (cont'd)

2.1 Undertaking of the Company (cont'd)

2.1.4 Limitations on Liability (cont'd)

- D. The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.
- E. The Company shall not be liable for and shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to:
1. Any act or omission of: (a) the Customer, (b) any other entity furnishing service, equipment or facilities for use in conjunction with services provided by the Company; or (c) common carriers or warehousemen, except as contracted by the Company;
 2. Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
 3. Any unlawful or unauthorized use of the Company's services;
 4. Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the material transmitted by means of Company-provided services; or by means of the combination of Company-provided services;

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2.0 REGULATIONS (cont'd)

2.1 Undertaking of the Company (cont'd)

2.1.4 Limitations on Liability (cont'd)

E. (cont'd)

5. Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises by the Company or any Carrier or the installation or removal thereof;
6. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the facilities of any Carrier;
7. Failure of Customer to comply with the requirements of Section 2.3.1.
8. Any non-completion of calls due to network busy conditions;
9. And any other claim resulting from any act or omission of the Customer or patron(s) of the Customer relating to the use of the Company's services.

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2.0 REGULATIONS (cont'd)**2.1 Undertaking of the Company (cont'd)****2.1.4 Limitations on Liability (cont'd)**

- F. The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere.
- G. THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.
- H. Failure by the Company to assert its rights pursuant to one provision of this tariff does not preclude the Company from asserting its rights under other provisions.
- I. Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrences, any law, order, regulation, direction, action or request of the United States government or of any other government (including state and local governments or of any department agency, board, court, bureau, corporation or other instrumentality of any one or more of said governments) or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays.

If Company's failure of performance by reason of force majeure specified above shall be for thirty (30) days or less, then the service shall remain in effect, but an appropriate percentage of charges shall be abated and/or credited in the discretion and determination of Company; if for more than thirty (30) days, then the service may be canceled by either party without any liability.

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2.0 REGULATIONS (cont'd)**2.1 Undertaking of the Company (cont'd)****2.1.5 Notification of Service-Affecting Activities**

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but may affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

2.1.6 Non-Routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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2.0 REGULATIONS (cont'd)

2.1 Undertaking of the Company (cont'd)

2.1.7 Availability of Services

- A. The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in the tariffs of the Company.
- B. The Company and Customer shall negotiate a mutually agreed to installation date based on availability of services and facilities and the Customer's requested date.

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2.0 REGULATIONS (cont'd)**2.2 Prohibited Uses**

- A. The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- B. The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and the Kentucky Commission's regulations, policies, orders, and decisions.
- C. The Company may block any signals being transmitted over its Network by Customers that cause interference to the Company or other Users. Customer shall be relieved of all obligations to make payments for charges relating to any blocked service and shall indemnify the Company for any claim, judgment or liability resulting from such blockage.
- D. A Customer, Joint User, or Authorized User may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity at the same location if the existing Customer has paid all charges owed to the Company. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

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2.0 REGULATIONS (cont'd)

2.3 Obligations of the Customer

2.3.1 General

The Customer shall be responsible for:

- A. the payment of all applicable charges pursuant to this tariff;
- B. providing the personnel, power and space required to operate all facilities and associated equipment installed on the premises of the Customer;
- C. providing Company personnel access to premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Company.

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2.0 REGULATIONS (cont'd)**2.3 Obligations of the Customer (cont'd)****2.3.2 Liability of the Customer**

- A. The Customer shall not assert any claim against any other Customer or User of the Company's services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this tariff including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other Customer or User contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other Customer or User and not by any act or omission of the Company. Nothing in this tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.
- B. The Customer shall be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts.
- C. To the extent caused by any negligent or intentional act of the Customer, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses for (1) any loss, destruction or damage to property of any third party, and (2) any liability incurred by the Company to any third party pursuant to this or any other tariff of the Company, or otherwise, for the interruption of, interference to, or other defect in any service provided by the Company to such third party.

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2.0 REGULATIONS (cont'd)**2.4 Customer Deposits and Advance Payments****2.4.1 Advance Payments**

To safeguard its interests, the Company may require a Business Customer to make an advance payment before services are furnished, where special construction is involved. The advance payment will not exceed an amount equal to the nonrecurring charge(s) and one (1) month's charges for the service or facilities. In addition, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. Advance payments do not accrue interest. An advance payment may be required in addition to a deposit.

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2.0 REGULATIONS (cont'd)**2.4 Customer Deposits and Advance Payments (cont'd)****2.4.2 Deposits**

- A. To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit may be required if the Customer's financial condition is not acceptable to the Company or cannot be ascertained from generally accepted credit reporting sources. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to two (2) month's charges for tariffed services or; two (2) month's charges for a service or facility which has a minimum payment period of one month.
- B. In the event the deposit as computed under Section 2.4.2.A above exceeds \$75.00 per access line, the Customer shall pay one half of the deposit prior to the provision of service, with the remainder of the deposit due thirty (30) days after provision of the service.
- C. A deposit may be required in addition to an advance payment.
- D. The Company shall review accounts of Customers with deposits and shall refund deposits with interest if the accounts have been current for the preceding (12) twelve months.
- E. Upon discontinuance of service, the Company shall automatically refund the Customer's deposit plus accrued interest, or the balance, if any, in excess of the unpaid bills including any penalties assessed for service furnished by the Company.
- F. Deposits will accrue interest at the rate prescribed by law. The interest shall be credited to the Customer's account annually or paid upon return of the deposit, whichever occurs first.

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2.0 REGULATIONS (cont'd)**2.5 Payment Arrangements****2.5.1 Payment for Service**

Customer shall pay Company, monthly in advance, a monthly charge equal to the rate set forth in the Service Description or equal to the monthly charge as adjusted under the terms hereof, provided, however, that the first such payment shall be for the period from the Service Commencement Date through the end of the next full month.

The non-recurring installation charges are due with such first payment. The Customer is responsible for the payment of all charges for services furnished by the Company to the Customer. Billing for service will commence on the Service Commencement Date. Customer must notify company of any errors or discrepancies in the billing statement within thirty (30) days of the date the billing statement was mailed to the Customer. The Customer will be obligated to pay all charges shown on the billing statement if the Customer fails to provide such notice.

Taxes. The Customer is responsible for the payment of federal excise taxes, state and local sales and use, excise or privilege taxes and similar taxes imposed by governmental jurisdictions, all of which shall be separately designated on the Company's invoices. Any taxes imposed by a local jurisdiction (e.g., county and municipal) will only be recovered from those Customers residing in the affected jurisdictions.

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2.0 REGULATIONS (cont'd)**2.5 Payment Arrangements****2.5.2 Billing and Collection of Charges**

- A. **Non-recurring Charges.** The non-recurring charges contained in the Service Description are due with the Customer's first payment for charges, which payment shall be for the period from the start of service through the end of the next full month. Non-recurring charges not included with installation charges billed to the Customer shall be due and payable within thirty (30) days after the date the invoice is mailed to the Customer by the Company.

Customer shall be responsible for paying all of the Company's charges for time and material resulting from diagnosing problems which were caused by Customer's equipment.

- B. **Recurring Charges:** The Company shall present invoices for recurring charges monthly to the Customer, in advance of the month in which service is provided, and recurring charges shall be due and payable within thirty (30) days after the date the invoice is mailed to the Customer by the Company.
- C. When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.
- D. Billing of the Customer by the Company will begin on the Service Commencement Date and accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

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2.0 REGULATIONS (cont'd)**2.5 Payment Arrangements (cont'd)****2.5.2 Billing and Collection of Charges (cont'd)**

- E. If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment penalty shall be due to the Company. A late payment charge in the amount of the lesser of 12% of the unpaid balance per month or the maximum lawful rate per month, for bills not paid within thirty (30) days after the date the invoice is mailed, is not applicable to subsequent rebilling of any amount to which a late payment charge has already been applied. Late payment charges will be applied without discrimination.
- F. Customer's liability for charges hereunder shall not be reduced by untimely installation or non-operation of the Customer's or a third party's facilities and equipment.
- G. The Customer should notify the Company of any disputed items on an invoice within thirty (30) days after the date the invoice is mailed. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Kentucky Public Service Commission in accordance with the Commission's rules of procedure. The Company shall advise the Customer that the Customer may make a formal or informal complaint to the Commission. The address of the Commission is as follows:
- Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY. 40602
- H. If service is disconnected by the Company and later re-installed, re-installation of service will be subject to all applicable installation charges. If service is suspended by the Company and later restored, restoration of service will be subject to the rates in Section 5.

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2.0 REGULATIONS (cont'd)**2.5 Payment Arrangements (cont'd)****2.5.3 Discontinuance of Service for Cause (cont'd)****2.5.3 Discontinuance of Service for Cause**

- A. Upon nonpayment of any amounts owing to the Company, the Company may, by giving five (5) days prior written notice to and attempted telephonic and/or personal contact with the Customer, discontinue or suspend service without incurring any liability. Service may be reinstated at such time as Customer pays in full all arrearages, including late payment charges.
- B. Upon violation of any of the other material terms or conditions of this tariff the Company may, thirty (30) days after giving notice to the Customer discontinue or suspend service without incurring any liability if such violation continues during that period. The Company reserves the option to disconnect service as soon as ten (10) days after the date that the notice of discontinuance or suspension of service was mailed to the customer.
- C. Upon any governmental prohibition or governmental required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may terminate or refuse service to a customer after the customer has been given at least ten (10) days written termination notice pursuant to 807 KAR 5:006 Section 14(1)(a).
- D. When the Company has cause to totally disconnect or has totally disconnected a residential service, it shall postpone disconnection of local service after receiving either verbal or written notification of the existence of a medical emergency for a grace period of thirty (30) business days.

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2.0 REGULATIONS (cont'd)

2.5 Payment Arrangements (cont'd)

2.5.3 Discontinuance of Service for Cause (cont'd)

- E. The Company may suspend or discontinue service to a Customer without advance notice if it has evidence that the Customer has obtained unauthorized service by illegal use or theft. The Customer will be liable for all related costs and responsible for payment of any reconnection charges.
- F. Upon the Company's discontinuance of service to the Customer under Section 2.5.3.A or 2.5.3.B, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

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2.0 REGULATIONS (cont'd)

2.5 Payment Arrangements (cont'd)

2.5.4 Notice to Company for Cancellation of Service

Customers desiring to terminate service shall provide the Company thirty (30) days written notice of desire to terminate service.

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2.0 REGULATIONS (cont'd)

2.5 Payment Arrangements (cont'd)

2.5.5 Cancellation of Application for Service

- A. Where the Company permits the Customer to cancel an application for service prior to the Service Commencement Date or prior to any special construction, no charges will be imposed except for those specified below.
- B. Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of service ordered, including installation charges, and all charges others levied against the Company that would have been chargeable to the Customer had service begun.
- C. Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, may apply. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
- D. The special charges described in 2.5.5.A through 2.5.5.C will be calculated and applied on a case-by-case basis.

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2.0 REGULATIONS (cont'd)

2.5 Payment Arrangements (cont'd)

2.5.6 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

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2.0 REGULATIONS (cont'd)

2.5 Payment Arrangements (cont'd)

2.5.7 Bad Check Charge

A charge of \$25.00 will be assessed for any check returned by drawee bank or other financial institution for: Insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or other financial institution.

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2.0 REGULATIONS (cont'd)

2.6 Allowances for Interruptions in Service

2.6.1 General

- A. A credit allowance will be given when service is interrupted, except as specified in Section 2.6.2 following. A service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this tariff.
- B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- C. If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, or refuses access to its premises for test and repair by the Company, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.

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2.0 REGULATIONS (cont'd)**2.6 Allowances for Interruption in Service** (cont'd)**2.6.1 General** (cont'd)

D. The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

E. A credit allowance will be given for interruptions of thirty (30) minutes or more. Two or more interruptions of fifteen (15) minutes or more during any one 24-hour period shall be combined into one cumulative interruption. For calculating credit allowances, every month is considered to have thirty (30) days.

F. Interruptions of 24 Hours or Less

<u>Length of Interruption</u>	<u>Interruption Period To Be Credited</u>
30 minutes to 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/4 Day
6 hours up to but not including 8 hours	3/4 Day
8 hours to 24 hours	One Day

G. Over 24 Hours and Less Than 72 Hours. Interruptions over 24 hours and less than 72 hours will be credited one day for each 24-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

Interruptions Over 72 Hours. Interruptions over 72 hours will be credited two (2) days for each full 24-hour period. No more than thirty (30) days credit will be allowed for any one month period.

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2.0 REGULATIONS (cont'd)**2.6 Allowances for Interruption in Service (cont'd)****2.6.2 Limitations of Allowances**

No credit allowance will be made for any interruption in service:

- A. Due to the negligence of or noncompliance with the provisions of this tariff by any person or entity other than the Company, including but not limited to the Customer;
- B. Due to the failure of power, equipment, systems, connections or services not provided by the Company;
- C. Due to circumstances or causes beyond the reasonable control of the Company;
- D. During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;
- E. A service will not be deemed to be interrupted if a Customer continues to voluntarily make use of such service. If the service is interrupted, the Customer can get a service credit, use another means of communications provided by the Company, or utilize another service provider;
- F. During any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- G. That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- H. That was not reported to the Company within thirty (30) days of the date that service was affected.

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2.0 REGULATIONS (cont'd)

2.6 Allowances for Interruption in Service (cont'd)

2.6.3 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

2.6.4 Application of Credits for Interruptions in Service

Credits for interruptions in service that is provided and billed on a flat rate basis for a minimum period of at least one (1) month, beginning on the date that billing becomes effective, shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which the event that gave rise to the claim for a credit occurred. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

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2.0 REGULATIONS (cont'd)**2.7 Cancellation of Service/Termination Liability**

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason or breaches the terms in the service contract, Customer may be requested by the Company to pay to Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination.

2.7.1 Termination Liability

Customer's termination liability for cancellation of service shall be equal to:

- A. All unpaid non-recurring charges reasonably expended by the Company to establish service to the Customer, including any installation charges which may have been waived by the Company, provided Customer has been notified of the amount of the waived charges and of Customer's liability therefore on cancellation, plus;
- B. Any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus;
- C. The difference between the total actual monthly recurring charges to Customer for the Service during the entire time the Service was provided to Customer and the total monthly recurring charges which Customer would have paid or which Customer would have been required to pay if the Service had been based on a month to month term using the Company's most recent tariff prices at the time of cancellation.
- D. Either party shall have the right to cancel services without liability if Company is prohibited from furnishing the Service or if any material rate or term contained herein is substantially changed by order of the Kentucky Commission, the Federal Communications Commission, or highest court of competent jurisdiction to which the matter is appealed, or other local, state or federal government authority.

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2.0 REGULATIONS (cont'd)**2.8 Customer Liability for Unauthorized Use of the Network**

Unauthorized use of the network occurs when a person or entity that does not have actual, apparent, or implied authority to use the network, obtains the Company's services provided under this tariff.

2.8.1 Customer Liability for Fraud and Unauthorized Use of the Network

- A. Except as provided elsewhere in this tariff, the Customer is responsible for payment of all charges for services provided under this tariff furnished to the Customer or User. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by Users or other third parties, the Customer's employees or the public.
- B. The Customer is liable for all costs incurred as a result of unauthorized use of the Network, including service charges and any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive charges.
- C. The Customer is responsible for payment of any charges related to the suspension and/or termination of service, and any charges for reconnection of service, incurred as a result of unauthorized use of the Network.
- D. The following activities constitute fraudulent use:
 - 1) Using the network to transmit a message, locate a person, or otherwise give or obtain information, without payment for the service;
 - 2) Using or attempting to use the Network with the intent to avoid payment, either in whole or in part, of any of the Company's tariffed charges by either rearranging, tampering with, or making connections not authorized by this tariff to any service components used to furnish the Company's services or using fraudulent means or devices, tricks, schemes or false or invalid numbers, false credit devices or electronic devices.

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2.0 REGULATIONS (cont'd)**2.9 Use of Customer's Service by Others****2.9.1 Resale and Sharing**

Any service provided under this tariff may be resold to or shared with other persons at the option of Customer, subject to compliance with any applicable laws or Commission regulations governing such resale or sharing. The Customer remains solely responsible for all use of services ordered by it or billed to its telephone number(s) pursuant to this tariff, for determining who is authorized to use its services, and for notifying the Company of any unauthorized use.

2.9.2 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint User shall be responsible for the payment of the charges billed to it.

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2.0 REGULATIONS (cont'd.)**2.10 Transfers and Assignments**

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company, (b) pursuant to any sale or transfer of substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

2.11 Notices and Communications

- A. The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- B. The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- C. Except as otherwise stated in this tariff, all notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- D. The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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3.0 SERVICE DESCRIPTION

Company offers xDSL services to provide high-speed data connections. Services may be offered by the Company via its own facilities and/or the facilities of other carriers.

Services are subject to service order and service change charges where the Customer requests new services or changes in existing services, as well as indicated Non-Recurring and Monthly Recurring Charges.

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4.0 RATE SCHEDULE**4.1 RETAIL PRICING****4.1.1 SOLITAIRE (SINGLE USER)**

DSL TYPE	SPEED	12 MTH	INSTALL	CPE	24 Mth 5%	36 Mth 8%
					DISC.	DISC.
ADSL	128K (US) 1.5M (DS)	\$69.00	\$300.00	\$399.00	\$65.55	\$63.48
ADSL	384K (US) 6M (DS)	\$169.00	\$300.00	\$399.00	\$160.55	\$155.48
IDSL	144K (US) 144K (DS)	\$109.00	\$300.00	399.00	\$103.55	\$100.28

Features:

- Includes DSL Line
- Dedicated Internet Access
- E-mail Account
- Dynamic IP Address
- 24 X 7 Support
- Endpoint Equipment

Added Options:

- Domain Name registration is an additional \$125 per domain name
- E-Mail Accounts: \$5 per account per month
- Equipment Lease for \$39 per month - can be bundled in with the monthly DSL charge.

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4.0 RATE SCHEDULE (cont'd)**4.1 RETAIL PRICING** (cont'd)**4.1.2 BUSINESS DSL (MULTI-USER)**

DSL	SPEED	12Mth	INSTALL	24 Mth 5% 36 Mth 8%		
				CPE	DISC	DISC
SDSL	144K	\$129.00	\$400.00	\$375.00	\$122.55	\$118.68
SDSL	160K	\$139.00	\$400.00	\$375.00	\$132.05	\$127.88
SDSL	200K	\$149.00	\$400.00	\$375.00	\$141.55	\$137.00
SDSL	416K	\$269.00	\$400.00	\$375.00	\$255.55	\$247.48
SDSL	784K	\$339.00	\$400.00	\$375.00	\$322.05	\$311.88
SDSL	1.04M	\$379.00	\$400.00	\$375.00	\$360.05	\$348.68
SDSL	1.5M	\$459.00	\$400.00	\$375.00	\$436.05	\$422.28
SDSL	2M	\$799.00	\$400.00	\$375.00	\$759.05	\$735.08

Features:

- Includes DSL Line
- Dedicated Internet Access
- (5) E-mail Boxes
- (1) Static IP Address
- 24 X 7 Support

Added Options:

- Domain Name registration is an additional \$125 per domain name
- IP Addresses: \$10 a month for addresses in blocks of 8
- E-mail Accounts: \$5 per account per month
- Equipment Lease for \$32 per month
- One month free for 1yr pre-pay

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4.0 RATE SCHEDULE (cont'd)**4.2 WHOLESALE PRICING (TIER 3-4)**

DSL TYPE	SPEED	12Mth	20-30 LINES PER MTH (20%)	31-40 LINES PER MTH (25%)	41-50 LINES PER MTH (30%)	INSTALL
SDSL	160K	\$82.00	\$65.00	\$61.50	\$57.40	\$500.00
SDSL	200K	\$99.00	\$79.00	\$74.25	\$69.30	\$500.00
SDSL	416K	\$138.00	\$110.40	\$103.50	\$96.60	\$500.00
SDSL	784K	\$182.00	\$145.00	\$136.50	\$127.40	\$500.00
SDSL	1.04M	\$219.00	\$175.00	\$164.25	\$153.30	\$500.00
SDSL	1.5M	\$275.00	\$220.00	\$206.25	\$192.50	\$500.00
SDSL	2M	\$350.00	\$280.00	\$262.50	\$245.00	\$500.00

Features:

- Includes DSL Line
- Install fee includes DSL line, configuration, test & turn-up of DSL-enabled line & endpoint device. Provides access from the endpoint to the ConnectSouth DSL node. Includes modem & NIC.
- Forward pricing available with 6-month ramp and 24 month commitment.
- 24 X 7 Support

DSL ATM Interconnection Fee

- \$4,000 per month
- \$1,500 installation fee.

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5.0 MISCELLANEOUS SERVICES

5.1 Restoration of Service

5.1.1 Description

A restoration charge applies to the restoration of suspended service and facilities because of nonpayment of bills and is payable at the time that the restoration of the suspended service and facilities is arranged. The restoration charge does not apply when, after disconnection of service, service is later re-installed.

5.2 Rates

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6.0 SPECIAL ARRANGEMENTS

6.1 Special Construction

6.1.1 Basis for Charges

Where the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariffs, charges will be based on the costs incurred by the Company and may include: (1) non-recurring type charges; (2) recurring type charges; (3) termination liabilities; or (4) combinations thereof.

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6.0 SPECIAL ARRANGEMENTS (cont'd)**6.1 Special Construction (cont'd)****6.1.2 Basis for Cost Computation**

The costs referred to in 6.1.1 preceding may include one or more of the following items to the extent they are applicable:

- A. cost installed of the facilities to be provided including estimated costs for the rearrangements of existing facilities. Cost installed includes:
 - 1. equipment and materials provided or used,
 - 2. engineering, labor and supervision,
 - 3. transportation, and
 - 4. rights of way;
- B. cost of maintenance;
- C. depreciation on the estimated cost installed of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage;
- D. administration, taxes and uncollectible revenue on the basis of reasonable average costs for these items;
- E. license preparation, processing and related fees;
- F. tariff preparation, processing and related fees;
- G. any other identifiable costs related to the facilities provided; and
- H. an amount for return and contingencies.

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6.0 SPECIAL ARRANGEMENTS (cont'd)**6.1.3 Termination Liability**

To the extent that there is no other requirement for use by the Company, a termination liability may apply for facilities specially constructed at the request of the customer.

- A. The termination liability period is the estimated service life of the facilities provided.
- B. The amount of the maximum termination liability is equal to the estimated amounts for:
 - 1. Cost installed of the facilities provided including estimated costs for rearrangements of existing facilities and/or construction of new facilities as appropriate, less net salvage. Cost installed includes the cost of:
 - a. equipment and materials provided or used,
 - b. engineering, labor and supervision,
 - c. transportation, and
 - d. rights of way;
 - 2. license preparation, processing, and related fees;
 - 3. tariff preparation, processing, and related fees;
 - 4. cost of removal and restoration, where appropriate; and
 - 5. any other identifiable costs related to the specially constructed or rearranged facilities.
- C. The applicable termination liability method for calculating the unpaid balance of a term obligation. The amount of such charge is obtained by multiplying the sum of the amounts determined by a factor related to the unexpired period of liability and the discount rate for return and contingencies. The amount shall be adjusted to reflect the predetermined estimate net salvage, including any reuse of the facilities provided. This product is adjusted to reflect applicable taxes.

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6.0 SPECIAL ARRANGEMENTS (cont'd)

6.2 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a bid for a service not generally available under this tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis.

6.3 Special Promotions

The Company may from time to time engage in special promotional trial service offerings of limited duration designed to attract new Customers or to increase Customer awareness of a particular tariff offering. Promotional offerings will be included in Section 7 of the Company's tariff, and will be filed with the Commission with 30 days notice. All promotions are offered on a non-discriminatory basis.

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7.0 PROMOTIONAL OFFERINGS

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